

MEMORANDUM

TO: GRB

FROM: MAPD *MAD/DM*

DATE: 5 October 1989

RE: Barite Hill : U.S. Forestry Service Land Swap

Please note that the referenced transaction has been completed and the enclosed letter from McNair Law Firm, P.A. stating same.

Thank you.



10755426

U.S. EPA REGION IV

SDMS

POOR LEGIBILITY

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1. For dark image page, increase the brightness and decrease the contrast.
2. For light image page, decrease the brightness and increase the contrast.

**** PLEASE CONTACT THE APPROPRIATE RECORDS CENTER TO VIEW THE MATERIAL****

MCNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390,
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800
TELECOPIER 803-799-9804

GREENVILLE OFFICE
SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, S.C. 29601
803-271-4940

HILTON HEAD ISLAND OFFICE
MCNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, S.C. 29938
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

October 2, 1989

Mr. Michael Drozd
Gwalia (U.S.A.), Ltd.
1675 Broadway, Suite 2350
Denver, Colorado 80202

Re: U.S. Forestry Service Land Swap

Dear Mr. Drozd:

With regard to the above-referenced transaction,
enclosed please find the following:

- 1) The original recorded Exchange Deed from the U.S. Government to Gwalia (U.S.A.), Ltd.;
- 2) The original recorded Quit Claim Deed from Georgia-Pacific Corporation to Gwalia (U.S.A.), Ltd.; and
- 3) A check payable to Gwalia (U.S.A.), Ltd. in the amount of \$300.00.

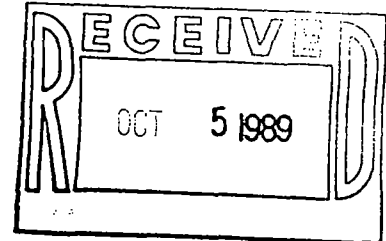
Please feel free to contact either Bill Musser or me should you have any questions.

Sincerely,



Emily I. Ellis
Paralegal

EIE/ss
Enclosures

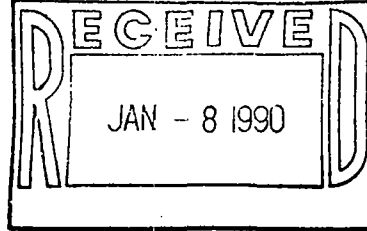




13.b.
BOWATER INCORPORATED

Calhoun, TN 37309
615/336-2211 Telex. 55-8406

January 5, 1990



Mr. Michael Drozd
Vice President-Operations
Gwalia (USA) Ltd.
1675 Broadway, Suite 2350
Denver, Colorado 80202

Dear Mr. Drozd:

Re: Exchange Agreement
Bowater Tract 1282, Parcel 1

I am enclosing fully executed copies of the Exchange Agreement and Hazardous Material Indemnity Agreement between Gwalia and Bowater Incorporated.

Very truly yours,

A handwritten signature in cursive script that reads 'Harvey M. Templeton, III'.

Harvey M. Templeton, III
Division Counsel

mlg
enclosures

cc: Mr. William M. Musser

EPA FAX Coversheet

Control No.: FAXWCOB-6ZWSPX

Form Help: 

| | | | |
|----------------|---------------------------|---------------|--|
| To: | Adam Singer | | |
| Fax Number: | 302-652-5379 | | |
| Subject: | Access to Gwalia property | | |
| From: | Wilda Cobb | | |
| Phone: | 404-562-9530 | Fax Number: | |
| Office: | | Location: | |
| Comments: | | | |
| Date and Time: | 04/03/2007 05:03 PM | No. of Pages: | |

Fred W. Harris, Jr.

This instrument prepared by:
Fred W. Harris, Jr., Regional Attorney
Office of the General Counsel
United States Department of Agriculture
Suite 600, 1371 Peachtree Street, N.E.
Atlanta, Georgia 30367

Checked as *✓* description and
acreage *✓ 8/7/89*

Checked as to consideration and condition
of acquisition *✓ 8/7/89*

RECEIVED

SEP 15 1989

McNAIR FIRM

EXCHANGE DEED

THE STATE OF SOUTH CAROLINA

KNOW ALL MEN BY THESE PRESENTS:

THAT, this deed made this *8th* day of *August*, 1989,
between the UNITED STATES OF AMERICA, party of the first part, acting herein by
and through the Forest Service, United States Department of Agriculture, and
GWALIA, (USA), LTD., a Delaware corporation authorized to do business in the
State of South Carolina, party of the second part;

WITNESSETH:

THAT the party of the first part, hereunto authorized by the Act of Congress
approved March 1, 1911, as amended, (16 U.S.C. 516), and the Act of Congress
approved October 21, 1976 (43 U.S.C. 1716), the provisions of which have been
complied with, for and in consideration of the conveyance to it by the party of
the second part of 38.90 acres of land, more or less, in Greenwood County, South
Carolina, the receipt of which is hereby acknowledged, does hereby pay the sum of
THREE HUNDRED AND NO/100 DOLLARS (\$300.00) to party of the second part and does
hereby remise, release and quitclaim unto the party of the second part, its
successors and assigns, all its right, title and interest in and to the
following-described tract or parcel of land in McCormick County, South Carolina,
to-wit:

FOREST SERVICE TRACT NO. 60-d
SUMTER NATIONAL FOREST

**DESCRIPTION OF THE BOUNDARY OF THE
JOHN RAINSFORD TRACT #60-d
McCormick County, South Carolina**

All that certain tract or parcel of land, lying and being in McCormick County, South Carolina, on the watershed of Hare Creek, a tributary of Savannah River, situate about $3\frac{1}{2}$ miles South of McCormick and $3\frac{1}{2}$ miles Northwest of Plum Branch, being covered by the following grants:

| <u>NAME</u> | <u>DATE</u> | <u>ACRES</u> |
|------------------|-------------|--------------|
| Jesse Barker | 1798 | 303 |
| Zephaniah Nobles | 1793 | 434 |

*S.E.P.
9/23/35*

All bearings in this description are turned from the true meridian and all distances are expressed in chains.

This property is more particularly delineated on a map thereof, compiled by the U. S. Forest Service, Long Cane Purchase Unit, surveyed September 1935, said map being hereby declared to be part and parcel of this description.

Beginning at Corner 1, a stake set alongside and old stake in a mound of stones on hedgerow, old witnesses, common to Erskine College tract. A scribed 8" pine bears S. $57^{\circ}E.$, 0.12 chain distant and a scribed 12" pine bears S. $44^{\circ}W.$, 0.08 chain distant.

Thence, with Erskine College tract, S. $47^{\circ}00'W.$, 17.87 chains to Corner 2, a stake set at the intersection of old hedgerow with abandoned road, common to Erskine College tract and H. A. Smith Estate tract.

Thence, two (2) lines with H. A. Smith Estate tract, N. $16^{\circ}00'W.$, along said abandoned road 4.54 chains to Corner 3, a stake set in center of said abandoned road and on the projection of a hedgerow;

N. $57^{\circ}05'W.$, 32.7 chains to Corner (4), a point in the center of Mineral Spring Branch on the projection of a fence, old witness, common to H. A. Smith Estate tract and Erskine College tract.

Thence, in an Easterly direction, up and with the meanders of the center of said Branch, 38.0 chains to Corner 5, a point in the center of said Branch, old witnesses, common to Erskine College tract.

Thence, with Erskine College tract,

Replaced 6-19-36 by
DATE

Concrete post }
Puddle in ledge } marked 701

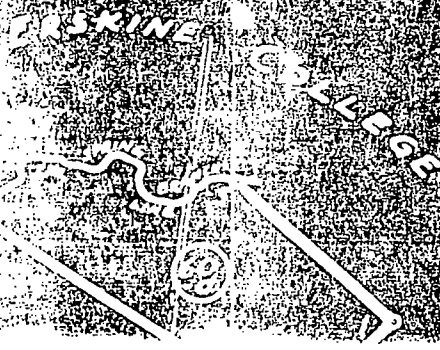
Set by C. L. Drinnon

S. 48°35' E., 22.0 chains to the Place of Beginning, containing FIFTY-FIVE and SEVEN-TENTHS (55.7) ACRES, be the same more or less.

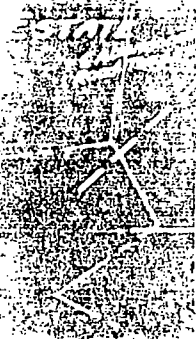
The vendor reserves the metalliferous mineral rights on the entire tract for a period of Ten (10) years from date title is vested in the United States of America.

A copy of the plat of the above-described land is attached hereto and by reference made a part hereof.

Note:
For bearings and distances see
description to which this map is
attached and of which it is a part.



Zephaniah Nobles
1842-1793



ONE PURCHASE UNIT
RAINSFORD
NUMBER 20-6

Handwritten notes and signatures, including a large 'C' and the number '12-9'.

WICK COUNTY S.C.

SUBJECT to easements for existing roads, highways and public utilities.

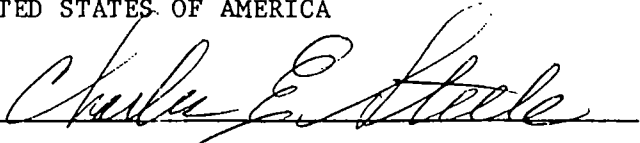
THE UNITED STATES OF AMERICA RESERVES in perpetuity a royalty interest of seven (7%) percent of the gross value of any produced gold and silver from the above-described land. Should the grantee, successors or assigns, proceed with gold or silver mining, thirty days written notice of the intent to mine must be given to the Forest Service before the beginning of mining. Once mining begins, the Forest Service reserves the right to inspect the land and mining operations, including books and accounting functions, at any reasonable time. In addition, grantee, successors and assigns, agree that once mining begins, an accounting of the operation will be provided to the Forest Service and royalty payments will be made quarterly to the Forest Service. Such accounting along with any payments due to the Forest Service will be sent to the below address. All payments will be made payable to the United States of America in care of the United States Forest Service. Payments should be sent to: Forest Supervisor, United States Forest Service, 1835 Assembly Street, P. O. Box 2227, Columbia, South Carolina 29202.

TO HAVE AND TO HOLD the above described real property unto the party of the second part, its successors and assigns forever, together with all hereditaments and appurtenances thereunto belonging.

IN WITNESS WHEREOF, the party of the first part, by its duly authorized representative, has executed this deed pursuant to the delegation of authority promulgated in Title 7, CFR 2.60, and 49 F.R. 34283 effective August 29, 1984, on the day and year first above-written.

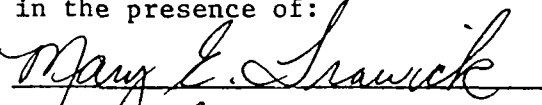
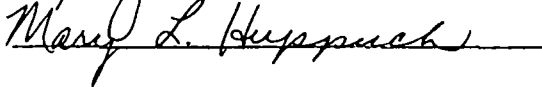
UNITED STATES OF AMERICA

By:



Director, Lands & Minerals
Southern Region, R-8, Forest Service
United States Department of Agriculture

Signed, sealed and delivered
in the presence of:

STATE OF GEORGIA)
COUNTY OF FULTON)

I hereby certify that on this day before me, Sandra D. Harrington
an officer duly authorized in the State and County aforesaid, to take
acknowledgments, personally appeared Charles E. Steele, whose
name as _____ Director, Lands & Minerals, Southern Region, R-8,
Forest Service, United States Department of Agriculture, is signed to the
foregoing instrument and who is known to me and acknowledged before me that being
informed of the contents of this conveyance that he as such officer and with full
authority executed the same voluntarily and as such _____ Director,
Lands & Minerals, Southern Region, R-8, Forest Service, United States Department
of Agriculture, in the name of and on behalf of the United States of America.

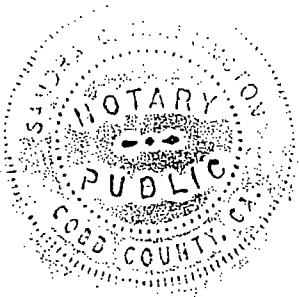
GIVEN under my hand and official seal, this the 8th day of August,
1989.

Sandra D. Harrington
Notary Public

My Commission Expires: April 23, 1991

STATE OF SOUTH CAROLINA
COUNTY OF McCORMICK
filed for record this
Sept. 8, 1989
at 3:00 o'clock P.M.
and duly recorded in
Book 91 of Deeds
page 123

Kathryn P. Butler
Clerk of Court
McCormick County
South Carolina



AUDITOR'S OFFICE
McCORMICK COUNTY
recorded this 12th
day of August 1989
in Book 7, Page 139
Jewel P. McBratt
Clerk

Bowater Tract 1282 Parcel 1

STATE OF SOUTH CAROLINA)
COUNTY OF MCCORMICK)

EXCHANGE AGREEMENT

This Agreement is entered into on December 5, 1989, by GWALIA (USA) LTD., a Delaware corporation ("Gwalia"), and BOWATER INCORPORATED (successor by merger to Catawba Timber Company), a Delaware corporation ("Bowater").

WHEREAS, Bowater owns the real property described in Exhibit "A" attached hereto and made a part hereof (the "Bowater Property"); and

WHEREAS, Gwalia wishes to acquire the Bowater Property by exchanging therefor certain real property hereafter acquired by Gwalia pursuant to the terms hereof.

W I T N E S S E T H:

In consideration of the premises and of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Bowater agrees to convey the Bowater Property to Gwalia in exchange for like-kind property to be designated by Bowater (the "Exchange Property," as more specifically described herein). It is the intention of the parties hereto that the exchange of the Bowater Property for the Exchange Property as provided for in this Agreement qualify as an exchange of property of like-kind within the meaning of Section 1031 of the Internal Revenue Code of 1986, as now in effect, and regulations thereunder. However, Gwalia makes no representations or warranties that said exchange will so qualify and shall in no event be liable or responsible for damages to Bowater in the event the exchange fails to qualify.

2. As soon as practicable after the date hereof, Bowater shall begin the selection of one or more tracts or parcels of land which will comprise the Exchange Property. Bowater will be responsible for negotiating for the purchase of such tracts or parcels. Bowater will be responsible for examining title to any tract or parcel that will become part of the Exchange Property.

3. Upon the completion of negotiations for the purchase of each particular tract or parcel, Bowater shall deliver to Gwalia a written request that Gwalia execute a contract for the purchase of such tract or parcel. Such contract may be in the form of an option. Each such contract for purchase shall be in form and substance satisfactory to Bowater and Gwalia and shall constitute

a contractual agreement of Bowater to accept a conveyance of such tract or parcel as part of the Exchange Property in exchange for the Bowater Property. Transfer of the Exchange Property to Bowater by Gwalia shall be by special warranty deed, and shall be made subject to such liens, encumbrances and exceptions to title as existed on the date of conveyance of such property to Gwalia (the "Permitted Exceptions").

4. Bowater shall have the right to select and negotiate for the purchase of as many tracts or parcels as it deems prudent. To the extent such tracts are purchased, they will collectively compose the Exchange Property. Provided, however, that the aggregate purchase price for all such tracts or parcels and all attendant direct costs incurred by Gwalia in such transactions, shall not exceed the Exchange Value (hereinafter defined).

5. At a time and place to be agreed upon by the parties, the exchange of properties shall be closed (the "Closing") by Gwalia conveying the Exchange Property to Bowater by special warranty deed subject only to the Permitted Exceptions and by Bowater simultaneously conveying the Bowater Property to Gwalia by general warranty deed, subject only to those exceptions and encumbrances, if any, of record as of the date hereof and subject to the reservations set forth in Exhibit A hereto.

6. Gwalia shall, at its own expense, make whatever examination of the title to the Bowater Property it deems necessary for its purposes.

7. For purposes of this exchange the parties hereby agree that the value of the Bowater Property and the amount to be paid by Gwalia (whether in cash or the incurring of direct costs) shall be \$502,525.05 (the "Exchange Value"); provided, however, that if within forty-five (45) days of the date hereof an accurate survey of the Bowater Property shows acreage of less than 148.02 acres, the Exchange Value shall be proportionately reduced, in accordance with the per acre pricing agreement between the parties. If the costs incurred by Gwalia to acquire the Exchange Property, including the price paid for the property and all direct costs incurred by Gwalia in acquiring the Exchange Property, shall be less than the Exchange Value, then Gwalia will pay the deficiency to Bowater at the Closing, as provided in paragraph 8. All such direct costs will be a credit against the Exchange Value. Gwalia shall not be required to expend more in direct costs, including the purchase price of the various tracts or parcels, than the Exchange Value in acquiring the Exchange Property.

8. If Bowater should fail to designate a sufficient amount of Exchange Property for acquisition by Bowater prior to the date eighteen (18) months from the date of this Agreement, then the Closing shall take place within fifteen (15) days thereafter at which time (a) Bowater will convey the Bowater Property to Gwalia, (b) Gwalia shall convey such tracts and parcels of Exchange

Property as it has acquired to Bowater, and (c) Gwalia shall pay Bowater by certified or cashier's check an amount equal to the remaining Exchange Value.

9. Each party shall be responsible for payment of the transfer fees and taxes and recording fees applicable to the deed or deeds which the party receives at Closing. Ad valorem taxes on the Bowater Property shall be prorated at Closing. Any ad valorem taxes on the Exchange Property accruing on the Exchange Property while held by Gwalia shall be paid by Bowater upon conveyance and may, at Bowater's option, be considered part of and applied against the Exchange Value.

10. Any loss or damage occurring to the Bowater Property after the date hereof shall be the responsibility of Gwalia, and any loss or damage to the Exchange Property occurring after acquisition by Gwalia and prior to conveyance to Bowater shall be the responsibility of Bowater. Each party shall have the right to enter the property being acquired by it from the other for the purpose of taking all action deemed necessary to reduce said risk of loss.

11. Gwalia shall not be required to enforce by legal action any option or contract made in its name to purchase Exchange Property, and in case of any dispute involving same, Gwalia shall promptly assign that option or contract and all of its rights thereunder to Bowater without recourse or warranty, and Bowater shall reimburse Gwalia for all direct costs (including earnest money) incurred by Gwalia in connection with that contract or option and shall indemnify Gwalia and hold Gwalia harmless with respect to any claims that may be asserted against Gwalia under such contract or option. Further, Bowater shall indemnify and hold harmless Gwalia for any and all claims and liabilities which are asserted against or incurred by Gwalia by reason of Gwalia owning the Exchange Property, whether such claims or liabilities arise from personal injury, environmental damages or otherwise.

12. Any notice or property designation required under this Agreement shall be sufficient if delivered in person or by certified mail addressed to the parties as follows:

If to Bowater: H.M. Templeton, III, Esquire
Division Counsel
Bowater Incorporated
Carolina Division
Calhoun, Tennessee 37309

If to Gwalia: Gwalia (USA) LTD.
Attention: Mr. Michael Drozd
1675 Broadway, Suite 2350
Denver, Colorado 80202

13. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors, and assigns.

14. This Agreement shall be governed by the laws of the State of South Carolina.

IN WITNESS WHEREOF, the parties hereto have signed, sealed, and delivered this Agreement on the date first above written.

Witnesses:
As to Gwalia:

Beverly A. Wilson

GWALIA (USA) LTD.

By: Michael J. [Signature]
Title: Vice President Operations (Seal)

ATTEST: Beverly A. Wilson
Admin Assistant
Title:

Witnesses:
As to Bowater

Mr B. Morris
Mary L. Graham

BOWATER INCORPORATED

By: George W. Flanders
George W. Flanders
Vice President-Woodlands
Manager, Carolina Division
(Seal)

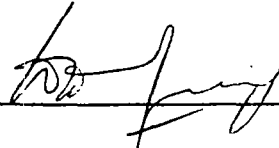
ATTEST:

Harmon T. [Signature]
Title: Assistant Secretary

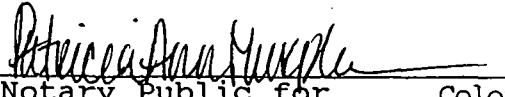
STATE OF COLORADO)
)
COUNTY OF DENVER)

PROBATE

Before me, the undersigned notary public personally appeared P. Murphy who being duly sworn and deposed, said that she saw GWALIA (USA) LTD., by its authorized officers, sign, seal and deliver the foregoing Exchange Agreement and that she together with Dan Greig witnessed the execution thereof.


Witness

SWORN to and subscribed before me
this 5th day of December, 1989

 (SEAL)
Notary Public for Colorado
My Commission Expires: 5/17/93

STATE OF TENNESSEE)
)
COUNTY OF McMINN)

PROBATE

Before me, the undersigned notary public personally appeared Sue B. Morris who being duly sworn and deposed, said that she saw BOWATER INCORPORATED, by its authorized officers, sign, seal and deliver the foregoing Exchange Agreement and that she together with Mary L. Graham witnessed the execution thereof.

Sue B. Morris
Witness

SWORN to and subscribed before me
this 4th day of January, 1990

Mary L. Graham (SEAL)
Notary Public for Tennessee
My Commission Expires: 1/31/90

EXHIBIT "A"
to
EXCHANGE AGREEMENT

Bowater Incorporate Tract No 1282, Parcel 1, located in McCormick County, South Carolina, and being more particularly described as follows:

Being all of Parcel 1 of Tract 1282 conveyed by East Highlands Company to Catawba Timber Company by deed dated January 1, 1979, and of record in Deed Book 49, Page 142, in the Office of the Clerk of Court for McCormick County, South Carolina, containing 148 acres, more or less.

The southeastern boundary of said property was subsequently modified by two boundary line agreements dated November 17, 1980, and November 18, 1980, and of record respectively in Deed Book 54, Page 14, and Deed Book 54, Page 15, in the Office of the Clerk of Court for McCormick County, South Carolina, so that said property now consists of 148.02 acres.

RESERVING unto Bowater Incorporated and its successors and assigns all coal, oil, gas, associated hydrocarbon substances, and all metallic or non-metallic minerals and ores which contain mineral matter or substances and mineral rights in, on, or under the above-described property together with the right to explore for and remove same by any method. Subject, however, to the Mineral Lease between Bowater Incorporated and Gwalia created by exercise on _____ of the option to lease under the Exploration Agreement With Option to Lease dated September 1, 1985. The Mineral Lease shall survive the conveyance by Bowater Incorporated of the above-described property to Gwalia.

SUBJECT to existing easements and rights of way for public roads and highways, and public utilities, if any, extending into, through, over, or across the above-described property.

Prior title reference: Deed Book 49, Page 142, Office of the Clerk of Court for McCormick County, South Carolina.